

COUNTY OF PLACER

OFFICE OF AUDITOR-CONTROLLER

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May 10, 2012

Mr. Jason Buckingham, Executive Director Golden Sierra Job Training Agency 1919 Grass Valley Hwy, Ste. 100 Auburn, CA 95603

Re: "VW" Document Types Review

Dear Mr. Buckingham:

The Internal Audit Division of Placer County Auditor-Controller's Office performed a review of confidential "VW" document types generated by County departments (and other governmental agencies that flow their cash disbursement transactions through the County's financial system) during the period from January 1, 2011 through December 31, 2011. Confidential "VW" documents are those that contain "personal information" as deemed by the California Civil Code Section 1798. The term "personal information" means any information in any record about an individual that is maintained by an agency, including, but not limited to, his or her education, financial transactions, medical or employment history.

The purpose of this review was to determine whether adequate internal controls exist to provide reasonable assurance that document type "VW" is used appropriately, "VW" payments are properly authorized, documentation is adequately retained and supports the payment, all applicable policies are being followed, and sensitive information is not being submitted to our office.

Based on our review, internal controls over document types "VW" are operating as designed within the Golden Sierra Job Training Agency (Agency), except for the following findings and recommendations:

Post-Payment Reimbursement Approval

During our review, we noted one client reimbursement claim, which was prepared on June 9, 2011, was processed and paid on June 22, 2011; however, the Case Manager's approval is dated September 6, 2011.

We recommend that the Agency's fiscal unit not reimburse clients until the claim has been properly authorized and approved.

Agency Response:

The above case represents a simple transposition of numbers. Jun 9 vs Sept 6 or 6/9 vs 9/6. Agency policy requires that proper approval obtained. Staff have been made aware of the error and this issue will remain a part of the Agency's ongoing quality assurance training. Thank you for bringing it to our attention.

Excessive Expenditure Reimbursement

During our review, we noted one client reimbursement was for a set of tires for a luxury vehicle, which amounted to \$922.63 for a set of 4 tires. According to the Agency's General Policy and Procedures for Payments to Clients, paragraph A5, "Supportive Service Payments for items necessary to complete training or obtain employment may be made for items deemed 'necessary, allowable and reasonable." While tires are deemed "necessary and allowable", high performance tires for a luxury vehicle appear to be an "unreasonable" expenditure.

We recommend the Agency review its policies and guidelines relating to Supportive Services payments to evaluate the eligibility criteria to include clients' assets as well as income eligibility.

Agency Response:

We do not consider a client's assets when determining eligibility for Supportive Service payments nor are we required to do so. We do, however, evaluate the client's financial situation in consideration of each supportive services request. Our policies require that supportive services are only provided when there is an immediate financial need and when, without the financial assistance, the client would not be able to complete training.

Under the Workforce Investment Act, income and assets are not used as eligibility criteria for Dislocated Workers. Because the NEG OJT grant targeted middle class dislocated workers, we expect prospective clients to have acquired assets during their "good years" and do not require them to divest. The intent of assisting dislocated workers is to return them to the workforce as quickly as possible without further adding to their temporary burdens by making them surrender or downsize their possessions. We believe to do so then begs the question of when to stop; home, number of cars, etc.

In the above case, the tire purchase was necessary for the client to have safe transportation to and from the training facility. Additionally, the expense is allowable under WIA law. Furthermore, the case manager's are required to collect bids for the purchase and select the most reasonable product/service available.

The Agency's responses to the recommendations identified in our review are included above. We did not audit the Agency's response and, accordingly, we express no opinion on them.

We appreciate the Agency staff's courtesy and cooperation throughout the course of this review.

Respectfully,

Nicole C. Howard, CPA

Internal Audit Manager, Placer County

cc: Terrie Trombley, Fiscal Officer, Golden Sierra Job Training Agency Placer County Audit Committee